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BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Application Number: 10/098,700
Filing Date: March 15, 2002
Appellant(s): CUNNINGHAM ET AL.

Larry L. Coats
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 8/17/2007 appealing from the Office action mailed 2/23/2007.

(1) Real Party in Interest

The real party in interest is TrialCard Incorporated.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

No evidence is relied upon by the examiner in the rejection of the claims under appeal.

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Double Patenting

1. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. A nonstatutory obviousness-type double patenting rejection is appropriate where the conflicting claims are not identical, but at least one examined application claim is not patentably distinct from the reference claim(s) because the examined application claim is either anticipated by, or would have been obvious over, the reference claim(s). See, e.g., *In re Berg*, 140 F.3d 1428, 46 USPQ2d 1226 (Fed. Cir. 1998); *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) or 1.321(d) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent either is shown to be commonly owned with this application, or claims an invention made as a result of activities undertaken within the scope of a joint research agreement.

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

2. **Claims 15-19, 54, 55, 64-72 are rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1-30 of (U.S. 5,832,449) in view of Deaton et al., (U.S. 5,644,723).**

The subject matter claimed in the instant application is fully disclosed in the patent and is covered by the patent since the patent and the application are claiming common subject matter, as follows: issuing media, identifying media with an identifier stored in a central database, associating the media with a good or service, activating

and/or deactivating the status of the media, distributing the media, and presenting the media for redemption of goods or services. Although the '449 patent is directed specifically toward pharmaceutical goods and services, this subject matter falls within the broad scope of the claims presented in the present application that are directed toward unspecified goods and services. Therefore, the subject matter of the present application is considered to be obvious in view of the '449 patent.

Furthermore, Deaton further discloses the well-known method of issuing active and inactive media, activating the media and recording the change of the status in the database, and varying the value of the media, (Deaton, Fig. 6A, col. 5, lines 9-24; col. 31, lines 60-66; col. 106, lines 25-54).

It would have been obvious to one of ordinary skill in the art to combine U.S. 5,832,449 and Deaton. The motivation would have been to issue incentive coupons based upon said activation signal, (Deaton, abstract).

Claim Rejections - 35 USC § 102

> (e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

3. Claims 15-19, 54, 55, 64-72 are rejected under 35 U.S.C. 102(e) as being anticipated by Deaton et al., (U.S. 5,644,723).

4. As per claim 15, Deaton discloses a method of promoting goods and services, comprising:

issuing media in which each medium has at least one good or service associated therewith, (Deaton, col. 70, lines 8-27);

identifying each medium with an identifier and recording the identifer in a database such that the at least one good or service associated with each medium can be determined, (Deaton, col. 4, lines 44-47);

assigning an inactive status to the media such that while assuming the inactive status the goods or services associated with the medium may not be redeemed, (Deaton, Fig. 6A, col. 31, lines 60-66);

recording the inactive status in a database, (Deaton, Fig. 6A, col. 5, lines 9-24; col. 31, lines 60-66);

activating at least some of the media by changing the status of the media from an inactive state to an active state and recording the change of the status in the database, (Deaton, Fig. 6A, col. 5, lines 9-24; col. 31, lines 60-66);

varying the value of at least some of the media such that the value of the media varies according to selected conditions, (Deaton, col. 106, lines 25-54); and

distributing the media to holders wherein the holders present the media to providers that deliver the goods or services associated with the presented media to the holders, (Deaton, col. 7, lines 11-31).

5. As per claim 16, Deaton discloses a method of claim 15 including varying the value of the media based on the manner of activation, the location of the provider, or the identity of the holder or provider, (Deaton, col. 4, lines 44-46; col. 106, lines 25-54).

6. As per claim 17, Deaton discloses a method of claim 15 wherein the database is consulted at various times to determine whether the media or a certain medium is active or inactive, (Deaton, Fig. 6A, col. 5, lines 9-24; col. 31, lines 60-66).

7. As per claim 18, Deaton discloses a method of claim 15 wherein the database is updated from time to time with respect to the status of a medium and the value associated with the medium, (Deaton, col. 5, lines 9-24; col. 31, line 60-col. 32, line 36).

8. As per claim 19, Deaton discloses a method of claim 18 including the provider communicatively linking to the database and determining whether a presented medium is active or inactive, and further communicating for recordation in the database any goods or services delivered to a holder as a result of the medium being presented to the provider, (Deaton, col. 5, lines 9-24; col. 31, line 60-col. 32, line 36; col. 67, line 50-col. 70, line 39).

9. As per claim 54, Deaton discloses a method of promoting goods or services, comprising:

provisioning a database by:

(a) assigning a unique identifier to a medium wherein the medium forms a part of a media, (Deaton, col. 4, lines 44-47).

(b) associating a good or service with each medium, (Deaton, col. 70, lines 8-27);

(c) linking the good or service associated with each medium with the unique identifier of that medium, (Deaton, col. 7, lines 12-31, col. 70, lines 8-27).

distributing the media to individuals that enable the individuals to present the media to providers of goods or services who under certain circumstances will redeem the presented media by delivering to the individuals one or more goods or services associated with the media, (Deaton, col. 70, lines 8-27);

activating the media by changing the status of the media from an inactive state to an active state and recording that status change in a database, (Deaton, Fig. 6A, col. 5, lines 9-24; col. 31, lines 60-66);

the individuals receiving the media, presenting the media to providers of goods or services associated with the media, (Deaton, col. 7, lines 12-31),

determining the status of the media presented by communicating with the database, (Deaton, Fig. 6A; col. 31, lines 60-66);

delivering one or more goods or services associated with the media to individuals presenting an active medium, (Deaton, col. 31, lines 60-66; col. 70, lines 44-64), and

the providers communicating with the database to indicate that one or more goods or services associated with particular media has been delivered to individuals presenting certain media to the providers, and wherein the database is updated to

reflect the transfer of one or more goods or services from the providers such that the database will generally reflect media that has been presented to providers and the goods or services delivered by the providers in response to the presentment of the media, (Deaton, col. 70, lines 44-64)

wherein the database is provisioned with certain criteria that establishes variable value for the media, (Deaton, col. 106, lines 25-54).

10. As per claim 55, Deaton discloses a method of claim 54 wherein the value of the media is a function of the manner in which the media is activated, the location of the provider, the identity of the provider, or the identity of the individuals presenting the media, (Deaton, col. 4, lines 44-46; col. 106, lines 25-54).

11. As per claim 64, Deaton discloses a method including deactivating the media upon the occurrence of one or more conditions, (Deaton, Fig. 6A; col. 31, lines 60-66)(disclosing an inactive status update).

12. As per claim 65, Deaton discloses a method including reactivating the media after the media has been deactivated, (Deaton, Fig. 6A; col. 31, lines 60-66, col. 32, lines 14-16)(disclosing updating host records with active/inactive status, wherein an inactive record could be updated with an active status resulting in reactivation).

13. As per claims 66-72, these claims contain the same or substantially similar limitations as claims 15-19, 54, 55, 64, 65, and therefore the rejection of those claims is incorporated herein by reference.

(10) Response to Argument

1. As per applicant's argument that none of the claims of the '449 patent teach or suggest that the product trial cards have one value at one time, and then upon the occurrence of a selected condition, have another value which is different that he first value, it is submitted the features upon which applicant relies are not recited in the rejected claim(s). Instead, the current application claims only an issued medium to have a variable value according to selected conditions. The claims do not explicitly state the order in which the limitations are argued by Applicant. Applicant argues varying the value of the medium and activation of the medium after issuance and distribution to a customer, however, this sequence of events is not reflected in the claim language. Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

2. As per Applicant's argument that Examiner has refused to construe "varying the value", it is submitted that "varying the value" has been repeatedly construed as that which is disclosed by Deaton. Examiner has repeatedly given the claims their broadest

reasonable interpretation, and the claims have not been narrowed to avoid the disclosure of Deaton. As claimed, varying the value of a medium is well-known in the art, (Deaton, col. 106, lines 25-54). Deaton discloses issuing coupons with an initial varied value, (Deaton, col. 68, lines 35-50), and then further varying that value based upon incentives that are increased and decreased based on customer performance, (Deaton, col. 74, lines 2-41).

Additionally, the '449 patent previously issued to Applicant discloses that each medium has information such as product name, product size, product form and product quantity, (Cunningham, claim 18). This information is equivalent to value because it determines how much the product trial card is worth. Even if the trial card is free, a card could be configured to provide more or less free product than another similar card, thus essentially having a variable value based on authorization conditions stored at the central computing station, (Cunningham, col. 9, line 51-col. 10, line 50).

3. As per applicant's argument that Deaton fails to disclose assigning an inactive status to the media, it is submitted that Deaton discloses this feature. Applicant agrees that Deaton discloses assigning a status to a customer's record. If such status is caution, negative, or especially cash only, then the medium will be inactive and unusable for redemption purposes by the customer. In Denton, the fact that the change is made on the customer's record and not the medium itself is not material to the rejection because the medium must interface via a terminal with the central data system wherein all information is attributed to the medium, (Deaton, fig. 3). The invention

described in the current application uses a similar system. Additionally, The credit account provided by Deaton could be closed for credit reasons between the time of issuance and the time of redemption, thus effectively inactivating the media that is tied to the credit account, (Deaton, col. 3, lines 60-col. 4, line 5; col. 4, lines 44-47, col. 5, lines 9-24). Furthermore, Deaton discloses that coupons A, B or C are issued to the merchant prior to distribution to a customer based upon customer discrimination, (Deaton, col. 68-74). Therefore, the coupons are considered functionally inactive until activated by handing the coupon to a specific customer for use.

4. As per applicant's argument that the motivation to combine the '449 patent and Deaton is improper, it is submitted that the Deaton reference essentially covers the same technical field of endeavor as the '449 patent, which is incentive coupons, (Deaton, abstract). The fact that the '449 patent is directed toward a card-based pharmaceutical product trial program method is irrelevant to the obviousness argument because the current application is directed toward a broadly-claimed media-based good and service promotion method. The claims of the '449 patent clearly fall within the scope of the current application, and thus render those limitations obvious in view of Deaton. Furthermore, one of ordinary skill in the art would easily recognize the benefits provide by Deaton and the '449 patent, and therefore, the claims recite a combination of old and well-known elements and the motivation to combine those elements would be obvious to one of ordinary skill in the art.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

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